



4004

ANNUAL REPORT

OF

Name: SCANDINAVIA TELEPHONE COMPANY

Principal Office: 301 S WESTFIELD RD
P.O. BOX 5901
MADISON, WI 53705-0901

For the Year Ended: DECEMBER 31, 1999

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: SCANDINAVIA TELEPHONE COMPANY
Utility Location: 301 S WESTFIELD RD
P.O. BOX 5901
MADISON, WI 53705-0901

Utility Web Site Address:

When was utility organized?: 07/31/1903

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JOHN R. ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 301 S. WESTFIELD RO
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289
Email Address: johnerpenbach@tdstelecom.com

Individual or firm, if other than utility employee, preparing this report

Name: MR BENJAMIN C. GOTH
Title: STAFF ACCOUNTANT
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P.O. BOX 5158
MADISON, WI 53708-0158

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Person responsible for financial information contained in report

Name: MR JOHN R. ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289
Email Address: johnerpenbach@tdstelecom.com

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS X
Title: X

a

Office Address: 301 S. WESTFIELD ROAD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 999 - 9999
Telephone Number: (608) 999 - 9999
Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: TDS TELECOMMUNICATIONS CORPORATION
Address: 301 S. WESTFIELD ROAD
MADISON, WI 53717-1707

Number of Shares Held: 9,550
Beneficial Owner: NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name: NONE
Form of Interest: NONE
Extent Of Interest: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,236,198	1,896,321	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	171,447	165,083	2
Plant Nonspecific Operations Expense	661,096	584,820	3
Customer Operations Expense (6610-6620)	401,969	400,783	4
Corporate Operations Expense (6710-6790)	362,624	339,891	5
Other Operating Income and Expense (7100)	(3,156)	3,805	6
Operating Taxes (7200)	258,214	187,119	7
Total Operating Expenses	1,858,506	1,673,891	8
Net Operating Income	377,692	222,430	9
Other Income			
Nonoperating Income and Expense (7300)	5,092	19,529	10
Nonoperating Taxes (7400)	1,506	5,762	11
Interest and Related Items (7500)	167,128	99,565	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	11,978	15,777	14
Total Nonoperating Income	(151,564)	(70,021)	15
Net Income	226,128	152,409	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

TELEPHONE PLANT

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

DEPRECIATION

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

REVENUES

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

PENSION

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

INCOME TAXES

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment have been deferred and are being amortized to income over the service lives of the related property.

-
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

-
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1999, the company has invested \$0 with Telecommunications Technologies Fund, Inc., and could distribute up to \$99,932 to the parent or other affiliates in the form of cash dividends.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	124,307	143,936	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)	500	350	4
Temporary Investments (1160)		0	5
TOTAL CASH AND EQUIVALENTS	124,807	144,286	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	163,312	131,684	6
Accounts Receivable Allowance-Telecom (1181)*		0	7
Net: Telecommunications Accounts Receivable	163,312	131,684	
Other Accounts Receivable (1190)*	374,584	317,034	8
Accounts Receivable Allowance--Other (1191)*		0	9
Net: Other Accounts Receivable	374,584	317,034	
Notes Receivable (1200)*		0	10
Notes Receivable Allowance (1201)*		0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	924	482	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	538,820	449,200	
SUPPLIES			
Inventories (1220)*	21,031	21,109	13
TOTAL SUPPLIES	21,031	21,109	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	1,764	0	15
Prepaid Taxes (1300)		1,786	16
Prepaid Insurance (1310)		0	17
Prepaid Directory Expenses (1320)	362	297	18
Other Prepayments (1330)	9,329	9,435	19
TOTAL PREPAYMENTS	11,455	11,518	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*		0	20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	696,113	626,113	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
RTB Class B Stock (1402)*	56,829	56,829	22
Other Investments in Nonaffiliated Companies (1402)*	2,000	2,000	23
Nonregulated Investments (1406)*	15,079	14,267	24
Unamortized Debt Issuance Expense (1407)*			25
Sinking Funds (1408)*		0	26

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*			27
TOTAL INVESTMENTS	73,908	73,096	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	298	348	28
Deferred Maintenance and Retirements (1438)*		0	29
Deferred Charges (1439)*		2,342	30
TOTAL DEFERRED CHARGES	298	2,690	
TOTAL NONCURRENT ASSETS	74,206	75,786	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	7,031,053	6,741,762	31
Less: Accumulated Depreciation (3100)*	3,261,153	2,859,111	32
Less: Accumulated Amortization--Capitalized Leases (3410)*			33
Less: Accumulated Amortization--Leasehold Improvements (3420)*			34
Less: Accumulated Amortization--Intangible (3500)*			35
NET TELECOMMUNICATIONS PLANT IN SERVICE	3,769,900	3,882,651	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			38
Less: Accumulated Depreciation--Nonoperating (3300)*			39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	41,368	8,526	40
TOTAL TPUC	41,368	8,526	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			41
Less: Accumulated Amortization--Other (3600)*		0	42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	3,811,268	3,891,177	
TOTAL ASSETS AND OTHER DEBITS	4,581,587	4,593,076	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	184,753	363,530	1
Notes Payable (4020)*	1,325,000	1,273,000	2
Advance Billing and Payments (4030)*	20,073	15,071	3
Customer Deposits (4040)*	760	550	4
Current Maturities--Long-Term Debt (4050)*	44,053	42,056	5
Current Maturities--Capital Leases (4060)*		0	6
Income Taxes--Accrued (4070)*	1	1	7
Other Taxes--Accrued (4080)*	7,888	17,791	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	15,282	15,976	11
Other Current Liabilities (4130)*	7,658	5,563	12
TOTAL CURRENT LIABILITIES	1,605,468	1,733,538	
LONG-TERM DEBT			
Funded Debt (4210)*	814,048	858,151	13
Premium on Long-Term Debt (4220)*		0	14
Discount on Long-Term Debt (4230)*		0	15
Reacquired Debt (4240)*		0	16
Obligations Under Capital Leases (4250)*		0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*		0	19
TOTAL LONG-TERM DEBT	814,048	858,151	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	(3,056)	(4)	20
Unamortized Operating ITC--Net (4320)*	2,111	9,710	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	269,659	108,662	23
Net Deferred Tax Liability Adjustments (4341)*	(845)	(13,771)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*		0	25
Other Deferred Credits (4360)*		0	26
Deferred Tax Regulatory Liability (4361)*	1,146	14,122	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	269,015	118,719	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	238,750	238,750	28
Additional Paid-in Capital (4520)*	42,885	42,885	29
Treasury Stock (4530)*		0	30
Other Capital (4540)*		0	31
Retained Earnings (4550)*	1,611,417	1,601,035	32
TOTAL STOCKHOLDERS' EQUITY	1,893,052	1,882,670	
TOTAL LIABILITIES AND OTHER CREDITS	4,581,583	4,593,078	

IMPORTANT CHANGES DURING THE YEAR

-
1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

Rate increase, August 1999, \$139,120 annual rate increase.

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Bonduel Telephone Company	BONDUEL	1
Central Region - Telephone Systems Services Div.	CR-TSSD	2
Other	OTH	3
Riverside Telecom, Inc.	RIVERSIDE	4
Suttle Press	SUTTLE	5
Telephone and Data Systems, Inc.	TDS CORP	6
TDS TELECOM, Inc.	TDS TEL	7
TDS Computing Services, Inc.	TDS/CS	8
Telephone Systems Services Division, Inc. Chicago	TSSD-CHIC	9
Telephone Systems Services Division, Inc. Madison	TSSD-MDN	10
Telecommunications Technology Fund	TTF	11
Various local telcos	VARIOUS	12

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005TI000124	None	0005TI000124	0005TI000124	
Name of Affiliate	OTH	SUTTLE	TDS CORP	TDS TEL	1
Designate whether billed to or from:	FROM	FROM	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	M	C	C	3
Total Dollar Activity	18,047	146	43,648	601,830	4
Percent of affiliate's business billed to all affiliated regulated utilities		63.00			5
If cost based, rate of return on equity or markup incorporated in billings	0.00		0.00	0.00	6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005TI000124				
Name of Affiliate	TDS/CS				1
Designate whether billed to or from:	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C				3
Total Dollar Activity	86,129				4
Percent of affiliate's business billed to all affiliated regulated utilities					5
If cost based, rate of return on equity or markup incorporated in billings	15.00				6
Footnotes					

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	3,315		1 g
Motor Vehicles	2112	67,169	37,746	2
Aircraft	2113	9,684		3 g,o
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	107,068		6
Buildings	2121	162,712		7
Furniture	2122	0		8
Office Equipment	2123	12,401	0	9
General Purpose Computers	2124	491,315	97,276	10
TOTAL--GENERAL SUPPORT ASSETS:		853,664	135,022	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,184,288	44,294	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	5,899	0	15
Circuit Equipment	2232	1,286,987	55,642	16
TOTAL--CENTRAL OFFICE ASSETS:		2,477,174	99,936	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	32,845		22 g
Aerial Cable	2421	154,040	562	23
Underground Cable	2422	3,560	47	24
Buried Cable	2423	3,207,223	168,972	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	13,256	495	29
Conduit Systems	2441	0		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		3,410,924	170,076	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111		(254)	3,061	1 g
2112	23,084		81,831	2
2113		(2,421)	7,263	3 g,o
2114			0	4
2115			0	5
2116			107,068	6
2121			162,712	7
2122			0	8
2123	0	0	12,401	9
2124	48,888		539,703	10
	71,972	(2,675)	914,039	
2211			0	11
2212	0	0	1,228,582	12
2215	0	0	0	13
2220			0	14
2231	0	0	5,899	15
2232	8,857	0	1,333,772	16
	8,857	0	2,568,253	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411	1,861	254	31,238	22 g
2421	7,852	0	146,750	23
2422	0	0	3,607	24
2423	9,958	(12,822)	3,353,415	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			13,751	29
2441			0	30
	19,671	(12,568)	3,548,761	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	6,741,762	405,034
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	100,500	(15,243)	7,031,053	
2001			0	34
			7,031,053	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	4,407		1
Company Communications Equipment	2123.2	7,994		2
Software	2212.1	63,326	38,190	3
Digital Switching - Central Office	2212.2	1,068,836	6,104	4
Digital Switching - Remote	2212.3	52,126		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	5,899		9
Digital Circuit Equipment	2232.1	941,173	53,832	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	345,814	1,810	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	154,040	562	14
Underground Cable - Nonmetallic	2422.1	2,937		15
Underground Cable - Metallic	2422.2	623	47	16
Buried Cable - Nonmetallic	2423.1	583,732		17 g
Buried Cable - Metallic	2423.2	2,623,491	168,972	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			4,407	1
2123.2			7,994	2
2212.1			101,516	3
2212.2			1,074,940	4
2212.3			52,126	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			5,899	9
2232.1	8,857		986,148	10
2232.2			0	11
2232.3			347,624	12
2421.1			0	13
2421.2	7,852		146,750	14
2422.1			2,937	15
2422.2			670	16
2423.1		(12,822)	570,910	17 g
2423.2	9,958		2,782,505	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	54,649	11.43	(2,703)	1b
Aircraft	2113	7,603	.0	520	2g,o
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	90,893	7.14	9,939	5
Buildings	2121	111,970	3.3	5,364	6
Furniture	2122	(60)	10.0		7g
Office Equipment	2123	11,602	12.71	684	8
General Purpose Computers	2124	338,340	15.0	95,779	9g
Total-- GENERAL SUPPORT ASSETS		614,997		109,583	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	238,592	1.47	107,078	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	5,486	9.5	141	14
Circuit Equipment	2232	621,596	8.5600	114,711	15
Total-- CENTRAL OFFICE ASSETS		865,674		221,930	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		0		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	50,032	8.3999	1,471	21c
Aerial Cable	2421	155,100	8.3999	9,171	22c
Underground Cable	2422	290	4.55	156	23
Buried Cable	2423	1,152,414	4.44	156,253	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	20,604	13.6	(537)	28b

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	0	3.03		29
Total-- CABLE WIRE FACILITIES ASSETS		1,378,440		166,514	0
Total Accumulated Depreciation	3100	2,859,111		498,027	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	23,084		3,803		32,665	1 b
2113				(2,481)	5,642	2 g,o
2114					0	3
2115					0	4
2116					100,832	5
2121					117,334	6
2122				60	0	7 g
2123	0				12,286	8
2124	48,888			600	385,831	9 g
	71,972	0	3,803	(1,821)	654,590	
2211					0	10
2212	0		8,000		353,670	11
2215	0				0	12
2220					0	13
2231	0				5,627	14
2232	8,857				727,450	15
	8,857	0	8,000	0	1,086,747	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411	1,861	5,476	344		44,510	21 c
2421	7,852	118			156,301	22 c
2422	0				446	23
2423	9,958				1,298,709	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431		217			19,850	28 b

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					0	29
	19,671	5,811	344	0	1,519,816	
3100	100,500	5,811	12,147	(1,821)	3,261,153	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	3,608	9.5	684	1
Company Communications Equipment	2123.2	7,994	14.3		2
Software	2212.1	0	7.76	19,788	3
Digital Switching - Central Office	2212.2	194,576	9.4300	83,210	4
Digital Switching - Remote	2212.3	44,016	7.76	4,080	5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	5,486	9.5	141	9
Digital Circuit Equipment	2232.1	524,500	8.59	82,784	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	97,096	8.3999	31,927	12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	155,100	8.3999	9,171	14^c
Underground Cable - Nonmetallic	2422.1	288	4.4	132	15
Underground Cable - Metallic	2422.2	2	8.3999	24	16
Buried Cable - Nonmetallic	2423.1	89,731	4.4	26,988	17
Buried Cable - Metallic	2423.2	1,062,683	4.4	129,265	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					4,292	1
2123.2					7,994	2
2212.1					19,788	3
2212.2			8,000		285,786	4
2212.3					48,096	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					5,627	9
2232.1	8,857				598,427	10
2232.2					0	11
2232.3					129,023	12
2421.1					0	13
2421.2	7,852	118			156,301	14 ^c
2422.1					420	15
2422.2					26	16
2423.1					116,719	17
2423.2	9,958				1,181,990	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts.
Credit amounts should be shown in ().

Particulars (a)	Balance EOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)		1
Other Noncurrent Assets (1410)		2
Deferred Tax Regulatory Asset (1437)	298	3
Net Current Deferred Operating Income Taxes (4100)		4
Net Noncurrent Deferred Operating Income Taxes (4340)	(266,940)	5
Net Deferred Tax Liability Adjustments (4341)	845	6
Deferred Tax Regulatory Liability (4361)	(1,146)	7
Net Property Related Deferred Operating Income Taxes	(266,943)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(266,943)	
NONPROPERTY RELATED		
Other Current Assets (1350)		9
Other Noncurrent Assets (1410)		10
Deferred Tax Regulatory Asset (1437)		11
Net Current Deferred Operating Income Taxes (4100)		12
Net Noncurrent Deferred Operating Income Taxes (4340)	(2,719)	13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)		15
Total Nonproperty Related Deferred Operating Income Taxes	(2,719)	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,601,035	1,665,456	1
Changes:			
Balance Transferred from Income	226,128	152,409	2
Dividends Declared:			
Common	215,976	216,830	3
Preferred	0	0	4
Total Dividends Declared	215,976	216,830	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings	230	0	6
Balance--End of Year	<u>1,611,417</u>	<u>1,601,035</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	730,075	636,728	2
Optional Extended Area Revenue (5002)		0	3
Cellular Mobile Revenue (5003)		0	4
Other Mobile Services Revenue (5004)	4,075	4,168	5
Public Telephone Revenue (5010)	(2)	(124)	6
Local Private Line Revenue (5040)	8,574	1,259	7
Customer Premises Revenue (5050)	33	78	8
Other Local Exchange Revenue (5060)	71,531	40,505	9 f
Other Local Exchange Revenue Settlements (5069)		0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	814,286	682,614	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	133,233	126,385	11
Switched Access Revenue (5082)*	515,559	452,778	12
Special Access Revenue (5083)*	46,940	33,870	13 h
TOTAL INTERSTATE ACCESS REVENUES (5080)	695,732	613,033	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*		0	14
Switched Access Revenue (5084.2)*	506,295	411,303	15 j
Special Access Revenue (5084.3)*	64,958	30,081	16 j
TOTAL INTRASTATE ACCESS REVENUES (5084)	571,253	441,384	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*			17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	84,318	79,616	30
Rent Revenue (5240)*	400	1,524	31
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	11	(167)	34
Customer Operations Revenue (5262)		0	35
Plant Operations Revenue (5263)		0	36
Other Incidental Regulated Revenue (5264)	9,909	8,886	37
Other Revenue Settlements (5269)	78	415	38
Total Miscellaneous Revenue (5260)	9,998	9,134	
Interstate Billing and Collection Revenue*	20,057	22,091	39
Intrastate Billing and Collection Revenue*	41,094	47,818	40
Total Carrier Billing and Collection Revenue (5270)*	61,151	69,909	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	155,867	160,183	
GROSS OPERATING REVENUES	2,237,138	1,897,214	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	940	893	43
Uncollectible Revenue--Other (5302)		0	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	940	893	
TOTAL OPERATING REVENUES	2,236,198	1,896,321	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	3,765	1,926	1
Less: Nonregulated		0	2
Net Regulated	3,765	1,926	3
Total General Support Expense (6120)	22,108	31,219	4
Less: Nonregulated		0	5
Net Regulated	22,108	31,219	6
Total Central Office Switching Expense (6210)	51,751	14,193	7
Less: Nonregulated		0	8 k
Net Regulated	51,751	14,193	9
Total Operator Systems Expense (6220)		23	10
Less: Nonregulated		0	11
Net Regulated	0	23	12
Total Central Office Transmission Expenses (6230)	28,845	27,235	13
Less: Nonregulated		0	14
Net Regulated	28,845	27,235	15
Total Information Orig. / Term. Expense (6310)		8,327	16
Less: Nonregulated		0	17
Net Regulated	0	8,327	18
Total Cable and Wire Fac. Expense (6410)	64,978	82,160	19
Less: Nonregulated		0	20 i
Net Regulated	64,978	82,160	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	171,447	165,083	
Less: Nonregulated	0	0	
Net Regulated	171,447	165,083	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	1,657	3,449	22
Less: Nonregulated		0	23
Net Regulated	1,657	3,449	24
Total Network Operations Expense (6530)	126,967	106,613	25
Less: Nonregulated		0	26
Net Regulated	126,967	106,613	27
Access Expense (6540)	36,720	3,198	28
Less: Nonregulated		0	29 m
Net Regulated	36,720	3,198	30
Total Depreciation and Amortization Expense (6560)	495,752	471,560	31
Less: Nonregulated		0	32
Net Regulated	495,752	471,560	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	661,096	584,820	
Less: Nonregulated	0	0	
Net Regulated	661,096	584,820	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	97,941	102,024	34
Less: Nonregulated		0	35
Net Regulated	97,941	102,024	36
Total Services (6620)	304,028	298,759	37
Less: Nonregulated		0	38
Net Regulated	304,028	298,759	39
TOTAL CUSTOMER OPERATIONS EXPENSE	401,969	400,783	
Less: Nonregulated	0	0	
Net Regulated	401,969	400,783	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	81,964	57,867	40
Less: Nonregulated		0	41 n
Net Regulated	81,964	57,867	42
Total General and Administrative (6720)	280,660	282,024	43
Less: Nonregulated		0	44
Net Regulated	280,660	282,024	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	362,624	339,891	
Less: Nonregulated	0	0	
Net Regulated	362,624	339,891	
TOTAL EXPENSES	1,597,136	1,490,577	
Less: Nonregulated	0	0	
Net Regulated	1,597,136	1,490,577	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	1,657	0	1
Provisioning Expense (6512)		3,449	2
Total: Reported in Account 6510	1,657	3,449	
Depreciat. Exp.--Tele. Plant in Service (6561)	495,752	471,040	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0	4
Amortization Expense--Tangible (6563)		0	5
Amortization Expense--Intangible (6564)		0	6
Amortization Expense--Other (6565)		520	7
Total: Reported in Account 6560	495,752	471,560	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	2,237,138	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	(3,156)	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>2,233,982</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	814,286	1
Plus: Total Intrastate Access Revenues (5084)	571,253	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): none	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,385,539</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	2,237,138	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	(3,156)	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>2,233,982</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	814,286	1
Plus: Total Intrastate Access Revenues (5084)	571,253	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): none	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,385,539</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	(3,156)	3,805	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	(7,599)	(7,599)	2
Operating Federal Income Taxes (7220)	(21,790)	36,272	3
Operating State and Local Income Taxes (7230)	(4,411)	9,570	4
Operating Other Taxes (7240)	131,016	110,744	5
Provision for Deferred Operating Income Taxes--Net (7250)	160,998	38,132	6
TOTAL OPERATING TAXES (7200)	258,214	187,119	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	110	145	7
Interest Income (7320)	7,908	8,731	8
Income from Sinking and Other Funds (7330)		0	9
Allowance for Funds Used During Construction (7340)		17,128	10
Gains or (Losses) from the Disposition of Certain Property (7350)		0	11
Other Nonoperating Income (7360)		0	12
Special Charges (7370)	2,926	6,475	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	5,092	19,529	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	1,506	5,762	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	167,128	99,565	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)		0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	11,978	15,777	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
Sales and leasing of mobile equipment where the tariff allows.	1
Sales and leasing of pager equipment where the tariff allows.	2
Sales, installation and maintenance of Direct Broadcast Satellite(DBS).	3
Sales, leasing, installation and maintenance of 1&2 line phones.	4
Sales, leasing, installation and maintenance of data modems.	5
Sales, leasing, installation and maintenance of key systems.	6
Sales, leasing, installation and maintenance of PBXs.	7

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	175,496	1
All Other Accounts	61,904	2
Total Salaries and Wages	237,400	3

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	0	0	1 d
Extended Area Service	0	0	2 d
Extended Community Calling	0	0	3 d
Other Local-Undefined	0	0	4 d
Total Local	0	0	
TOLL			
Toll	343	1,418	5
Total Toll	343	1,418	
Total Local & Toll	343	1,418	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.	1				3
Feature Group B -- Term.	2				4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	4,493	2,861	2,394		7
Feature Group D -- Term.	2,307	1,573	2,276		8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	37	1
Strand miles of plant - fiber optics	483	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	1	5	1
56 kbps	4	1	2
64 kbps (DS0)	2	2	3
1.54 Mbps (DS-1)	10	4	4
45 Mbps (DS-3)	0	0	5 e
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	37	1
Strand miles of plant - fiber optics	483	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	1	5	1
56 kbps	4	1	2
64 kbps (DS0)	2	2	3
1.54 Mbps (DS-1)	10	4	4
45 Mbps (DS-3)	0	0	5 e
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	292	425	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	28	28	6
Centrex Trunks			7
Centrex Lines	156	55	8
Key System Trunks	55	62	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	49	44	11
FX-Out (Switched)	2	1	12
Pay Telephone	0	0	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	582	615	20
Residential (Incl. Emp. Concess.)			
1 Party	2,235	2,309	21
2 Party			22
4 Party			23
FX-Out (Switched)	3	3	24
Other	0	0	25
Total Residential Lines	2,238	2,312	26
Total Bus & Res Lines	2,820	2,927	27
Company Used Lines	46	50	28
Total Lines Used	2,866	2,977	29
			30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	5	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	32	104	7
Special Access-interLATA			8
(expressed in equiv. access lines)	151	247	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	120	216	13
TSPS - Trunks	23	23	14
EAS - Trunks	120	96	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical			26
location of plant)	5,888,095	6,117,010	27
Total Company Square Miles	131	131	28
Total Company Route Miles	315	316	29
Footnotes			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	2510	4790			1
Business					2
1 Party	253	172			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	28	0			6
Centrex Trunks	---CONF---	---CONF---			7
Centrex Lines	55	0			8
Key System Trunks	55	7			9
Mobile (utility provided service)		0			10
Paging (utility provided service)		44			11
FX-Out (Switched)		1			12
Pay Telephone	0	0			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	0			15
Pay Stations - Public	0	0			16
- Semi-Public	0	0			17
- Cust. Owned		0			18
Other	0	0			19
Total Business Lines	391	224	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,828	481			22
2 Party					23
4 Party					24
FX-Out (Switched)	3	0			25
Other	0	0			26
Total Residential Lines	1,831	481	0	0	27
Total Bus & Res Lines	2,222	705	0	0	28
Company Used Lines	42	8			29
Total Lines Used	2,264	713	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	2510	4790			1
Miscellaneous					2
WATS Lines - OutWATS	0	0			3
WATS Lines - 800 Service	0	0			4
FX-In-intraLATA	0	0			5
Special Access-intraLATA (equiv. access lines)	101	3			6
Special Access-interLATA (equiv. access lines)	199	48			7
Feature Group A Lines	0	0			8
Feature Group B Trunks	0	0			9
Feature Group C Trunks	0	0			10
Feature Group D Trunks	216	0			11
TSPS - Trunks	23	0			12
EAS - Trunks	96	0			13
Cellular Trunks (Pub. Sw. Net.)	0	0			14
Video Distance Learning - discounted (special tariff)	0	0			15
Customers					16
Business - 2 Party Customers	0	0			17
Business - 4 Party Customers	0	0			18
Residential - 2 Party Customers	0	0			19
Residential - 4 Party Customers	0	0			20
Other					21
Exchange C.O., Info. Orig./Term., & Cable Wire Fac. Assets (based on physical location of plant)	4,376,079	1,740,931			22
Exchange Square Miles	92	39			23
Exchange Route Miles	258	58			24
Footnotes					25

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
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EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	IOLA	SCANDINAVIA			1
PSCW Exchange ID	2510	4790			2
Central Office Name	IOLA	SCANDINAVIA			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	ATT/LUC	ATT/LUC			5
Year COE Installed	1998	1998			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	H	R			8
Remote Host PSCW Exchange ID		2510			9
Remote Host PSCW Central Office ID	0	1			10
COE Generic Software Release No.	5E12	RMT			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	2,363	654			14
- Equipped	2,417	696			15
- Wired	2,766	768			16
Trunks - In Use	431	0			17
- Equipped	960	0			18
- Wired	960	0			19
ISDN Available?	Yes	Yes			20
ISDN Lines - In Use (BRI)	1	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	Yes	Yes			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	42	23			25
DS-3 - In Use	2	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	Yes	Yes			31
- In Use (# lines) ¹	1	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	40	28			33
No. of fiber strands working (LIT) in C.O.	18	10			34
No. of fiber strands for interoffice use	16	16			35
Miles of fiber sheath in wire center	31	6			36
Access Tandem Serving this C.O.:					
- C.O. Name	STEVENS POINT	STEVENS POINT			37
- PSCW C.O. ID	5140-01	5140-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- a) Contact John Erpenbach at (608)664-4289 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at (608)664-4530 with questions on page 49 outside plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.
- b) The annual accrual is less than 0 to correct over depreciation.
- c) Accumulated depreciation is greater than the asset balance because per the WI PSC, we are allowed to depreciate more than 100% of this account group.
- d) This information is not available.
- e) We have no 45Mbps circuits in service.
- f) Increase in advance calling services.
- g) Amounts listed on pages 23 and 25, in column (g) and pages 27 and 29, column (k) are reclasses between accounts or transfers with affiliates.
- h) Increase in Special access circuits.
 - i) Federal income tax payable to parent is recorded in account 4070100.
 - j) Increase due to rate increase.
- k) The increase is due to one time expenses and new expenses related to the addition of new services.
 - l) Decrease is due to less maintenance needed for newer plant.
- m) Increase in expense due to cellular minutes contract.
- n) Increase is due to change in company manager time coding due to a new payroll system.
- o) The dollars showing in a/c 2113 - Aircraft actually consist of general support assets under \$2,000 and are the result of the FCC docket No. 95-60 for accounting and reporting general support assets under \$2,000.